



BILLING CODE: 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-580-891; A-412-826]

### Carbon and Alloy Steel Wire Rod from the Republic of Korea and the United Kingdom:

### Notice of Final Results of Antidumping Duty Changed Circumstances Review

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** The Department of Commerce (Commerce) is revoking, in part, the antidumping duty (AD) orders on carbon and alloy steel wire rod (wire rod) from the Republic of Korea (Korea) and the United Kingdom as to grade 1078 and higher tire cord wire rod.

**DATES:** Applicable May 21, 2018.

**FOR FURTHER INFORMATION CONTACT:** Alice Maldonado or Jacob Garten, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone 202-482-4682 or 202-482-4633.

### SUPPLEMENTARY INFORMATION:

#### Background

On May 21, 2018, Commerce published the AD orders on wire rod from Korea and the United Kingdom.<sup>1</sup> On September 17, 2018, six members of the domestic industry, including the petitioners from the underlying investigations (Nucor Corporation, Optimus Steel LLC (formerly, Gerdau Ameristeel US Inc), Keystone Consolidates Industries, Inc., and Charter Steel)

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<sup>1</sup> See *Carbon and Alloy Steel Wire Rod from Italy, the Republic of Korea, Spain, the Republic of Turkey, and the United Kingdom: Antidumping Duty Orders and Amended Final Affirmative Antidumping Duty Determinations for Spain and the Republic of Turkey*, 83 FR 23417 (May 21, 2018) (*Orders*).

requested that Commerce initiate a changed circumstances review (CCR) to revoke, in part, the AD orders on wire rod from Korea and the United Kingdom as to grade 1078 and higher tire cord wire rod effective May 21, 2018.<sup>2</sup>

On November 7, 2018, Commerce initiated this CCR and published the notice of preliminary results, determining that the producers accounting for substantially all of the production of the domestic like product to which the *Orders* pertain lacked interest in the relief provided by the *Orders* with respect to grade 1078 and higher tire cord wire rod.<sup>3</sup> On December 21, 2018, Commerce solicited interested party comments on the appropriateness of end-use certifications as a condition of entry and solicited input from U.S. Customs and Border Protection (CBP).<sup>4</sup> The parties to these proceedings submitted comments on January 29, 2019, and February 19, 2019.<sup>5</sup> Subsequently, on March 20, 2019, we placed CBP's input on the records of these proceedings.<sup>6</sup> On March 25 and 27, 2019, the parties to these proceedings submitted timely comments regarding CBP's input on end-use certifications.<sup>7</sup>

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<sup>2</sup> See letter from domestic industry re: "Carbon and Alloy Steel Wire Rod from the Republic of Korea and the United Kingdom: Petitioners' Request for Changed Circumstances Review and Partial Revocation Request," dated September 17, 2018.

<sup>3</sup> See *Carbon and Alloy Steel Wire Rod from the Republic of Korea and the United Kingdom: Initiation and Expedited Preliminary Results of Antidumping Duty Changed Circumstances Review*, 83 FR 55694 (November 7, 2018) (*Initiation and Preliminary Results*).

<sup>4</sup> See Commerce Letter, "Re: Antidumping Duty Changed Circumstances Reviews of Carbon and Alloy Steel Wire Rod from the Republic of Korea (Korea) and the United Kingdom," dated December 21, 2018 (December 21, 2018, Solicitation of Comments Letter).

<sup>5</sup> See letter from Bekaert Corporation, Kiswire America Inc., Kiswire Inc., Kiswire Pine Bluff, and Tokusen U.S.A., Inc. re: "Carbon and Alloy Steel Wire Rod from the Republic of Korea and the United Kingdom, Changed Circumstances Reviews: Response to Request for Comments," dated January 29, 2019; and letter from Nucor Corporation, Optimus Steel LLC, Keystone Consolidates Industries, Inc., and Charter Steel re: "Carbon and Alloy Steel Wire Rod from the Republic of Korea and the United Kingdom: Comments on End-Use Certifications," dated February 19, 2019.

<sup>6</sup> See Memorandum to the file from Wendy J. Frankel, Director, Customs Liaison Unit, entitled, "Changed Circumstances Reviews of Carbon and Alloy Steel Wire Rod from the Republic of Korea and the United Kingdom: Discussion with U.S. Customs and Border Protection," dated March 20, 2019.

<sup>7</sup> See letter from Bekaert Corporation, Kiswire America Inc., Kiswire Inc., Kiswire Pine Bluff, and Tokusen U.S.A., Inc. re: "Carbon and Alloy Steel Wire Rod from the Republic of Korea and the United Kingdom, Changed Circumstances Reviews: Response to Request for Comments," dated March 25, 2019 (Interested Party Importer letter); letter from Nucor Corporation re: "Carbon and Alloy Steel Wire Rod from the Republic of Korea and the United Kingdom: Comments CBP's Recommendations Concerning End-Use Certifications," dated March 27, 2019

Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018, through the resumption of operations on January 29, 2019. If the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day. Accordingly, the revised deadline for the final results of this changed circumstances review is now September 9, 2019.

#### Final Results of Changed Circumstances Review

For the reasons stated in the *Initiation and Preliminary Results*, and because we received no comments from interested parties to the contrary, Commerce continues to determine that producers accounting for substantially all of the production of the domestic like product have no further interest in the *Orders* with respect to grade 1078 and higher tire cord wire rod. As a result of this determination and pursuant to section 751(d)(1) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.222(g), we are revoking, in part, the *Orders* as they relate to imports of grade 1078 and higher tire cord wire rod.

Regarding the requirement of end-use certifications as a condition of entry for the exclusion of tire cord wire rod of grade 1078 and higher from the AD order, we solicited comments from interested parties and input from CBP on the administrability of such certifications for consideration for the final results of these proceedings.<sup>8</sup> In their comments, the parties, who account for all of the interested parties to these proceedings, agree that end-use certifications for tire cord wire rod need not be filed as "a condition" of entry but must be

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(Nucor Letter); and letter from Optimus Steel LLC, Keystone Consolidates Industries, Inc., and Charter Steel re: "Carbon and Alloy Steel Wire Rod from the Republic of Korea and the United Kingdom: Comments on Input from CBP Regarding End-Use Certifications," dated March 27, 2019 (Domestic Interested Party Letter).

<sup>8</sup> See December 21, 2018, Solicitation of Comments Letter.

required at the time of filing the Entry Summary for tire cord wire rod to be exempt from AD duties.<sup>9</sup>

Consequently, we are changing the scope of the orders on wire rod from Korea and the United Kingdom by adding exclusion language related to grade 1078 and higher tire cord quality wire rod and requiring that a certification of end-use be filed with CBP at the time of the filing of the Entry Summary with CBP as provided in the Attachment to this notice. Further, importers of record of tire cord wire rod are required to maintain a copy of the end-use certifications that were filed with the entry summaries to provide at the request of CBP or Commerce.

#### Amended Scope of the Orders

The products covered by these orders are certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, less than 19.00 mm in actual solid cross-sectional diameter. Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high-nickel steel; (d) ball bearing steel; or (e) concrete reinforcing bars and rods. Also excluded are free cutting steel (also known as free machining steel) products (*i.e.*, products that contain by weight one or more of the following elements: 0.1 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorous, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium). All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

Excluded from the scope of the antidumping duty orders from Korea and the United Kingdom are grade 1078 and higher tire cord quality wire rod to be used in the production of tire cord wire. Grade 1078 and higher tire cord quality wire rod refers to wire rod with not less than

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<sup>9</sup> See Interested Party Importer letter; Nucor Letter; and Domestic Interested Party Letter.

0.78 percent of carbon and includes but is not limited to other high carbon grades of wire rod such as Grade 1078, 1080, 1085, 1086, 1090, and 1092.

Grade 1078 and higher tire cord quality rod is defined as: (i) Grade 1078 and higher tire cord quality wire rod measuring not more than 6.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no nondeformable inclusions greater than 20 microns and no deformable inclusions greater than 35 microns; (iv) having a carbon segregation per heat average of 3.0 or better; (v) having a surface quality with no surface defects of a length greater than 0.15 mm; (vi) capable of being drawn to a diameter of 0.405 mm or less, and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.006 percent or less of nitrogen, (5) not more than 0.6 percent silicon; and (6) not more than 0.55 percent in the aggregate, of copper, nickel, and chromium. For purposes of the grade 1078 and higher tire cord quality wire rod, an inclusion will be considered to be deformable if its ratio of length (measured along the axis—that is, the direction of rolling-of the rod) over thickness (measured on the same inclusion in a direction perpendicular to the axis of the rod) is equal to or greater than three. The size of an inclusion for purposes of the 20 microns and 35 microns limitations is the measurement of the largest dimension observed on a longitudinal section measured in a direction perpendicular to the axis of the rod.

The designation of the products as “tire cord quality” indicates the acceptability of the product for use in the production of tire cord applications which require that the tire cord wire rod be drawn into wire with a diameter of 0.405 mm or less. These quality designations are presumed to indicate that these products are being used in tire cord applications, and such

merchandise intended for the tire cord applications is not included in the scope. Importers of tire cord quality wire rod are required to file with CBP, at the time of the Entry Summary filing with CBP, a certification of end use that certifies that the Grade 1078 and above tire cord quality wire rod will be used only in the production of tire cord wire. In instances where the importer of record is not the end-user, the importer must provide written notice of the end-use requirement and an official of the end user must also sign a copy of the certification filed with CBP at the time of Entry Summary. Importers of record of tire cord wire rod are required to maintain a copy of the end-use certifications that were filed with the entry summaries with the CBP and to provide them at the request of CBP or Commerce.

The products under these orders are currently classifiable under subheadings 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093; 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035 of the HTSUS. Products entered under subheadings 7213.99.0090 and 7227.90.6090 of the HTSUS also may be included in this scope if they meet the physical description of subject merchandise above. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these orders is dispositive.

#### Instructions to CBP

Because we determine that there are changed circumstances that warrant the revocation of the *Orders*, in part, we will instruct CBP to liquidate without regard to antidumping duties, all unliquidated entries of merchandise covered by this partial revocation that were entered, or withdrawn from warehouse, on or after May 21, 2018, for which an end-use certification was

filed with CBP at the time of entry summary, and to refund all AD cash deposits on all such merchandise, with applicable interest.

We are issuing and publishing these final results and revocation, in part, and notice in accordance with sections 751(b) and 777(i) of the Act and 19 CFR 351.216, 19 CFR 351.221(c)(3), and 19 CFR 351.222.

Dated: April 3, 2019.

**Gary Taverman,**

*Deputy Assistant Secretary*

*for Antidumping and Countervailing Duty Operations,  
performing the non-exclusive functions and duties of the  
Assistant Secretary for Enforcement and Compliance.*

## Attachment

### End Use Certification

I hereby certify that:

- My name is {INSERT COMPANY OFFICIAL'S NAME HERE} and I am an official of {INSERT NAME OF IMPORTING COMPANY};
- I have direct personal knowledge of the facts regarding the importation of the {INSERT GRADE} tire cord wire rod produced in {INSERT COUNTRY} that entered under entry number(s) {INSERT ENTRY NUMBER(S)} and are covered by this certification;
- I have personal knowledge of the facts regarding the production of the imported products covered by this certification;
- I have personal knowledge of the facts regarding the end-use of the imported products covered by this certification because (initial one):
- \_\_\_\_\_ my company is the end-user of the imported product covered by this certification,

Or

\_\_\_\_\_ my company is not the end-user of the imported products covered by this certification, but I have contacted the end-user and advised them in writing of the end-use requirements for the imported product and an official of the end-user has signed a copy of this certification;

- This tire cord wire rod shall be used for tire cord applications, which require that the tire cord wire rod be drawn into wire with a diameter of 0.405 mm or less;
- This tire cord wire rod will not be drawn into wire with a diameter greater than 0.405 mm;
- I understand that {INSERT NAME OF IMPORTING COMPANY} is required to maintain a copy of this certification (including a copy signed by an end-user that is not the importer) and sufficient documentation supporting this certification for the later of (1) a period of five years from the date of entry or (2) a period of three years after the conclusion of any litigation in the United States courts regarding such entries;
- I understand that {INSERT NAME OF IMPORTING COMPANY} is required to provide this certification and supporting records, upon entry, to U.S. Customs and Border Protection (CBP);
- I understand that the claims made herein, and the substantiating documentation, are subject to verification by CBP and/or the U.S. Department of Commerce (Commerce);
- I understand that failure to maintain the required certification and/or failure to substantiate the claims made herein will result in:
  - o suspension of liquidation of all unliquidated entries (and entries for which liquidation has not become final) for which these requirements were not met; and
  - o the requirement that the importer post applicable antidumping duty (AD) cash deposits equal to the rates as determined by Commerce;



- I understand that agents of the importer, such as brokers, are not permitted to make this certification;
- This certification was completed at the time of entry;
- I am aware that U.S. law (including, but not limited to, 18 U.S.C. 1001) imposes criminal sanctions on individuals who knowingly and willfully make material false statements to the U.S. government.

IMPORTER SIGNATURE

NAME OF COMPANY OFFICIAL

TITLE\_

DATE\_

END-USER SIGNATURE (if other than importer)

NAME OF COMPANY OFFICIAL\_

TITLE

COMPANY NAME\_

DATE

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